

**West Virginia  
Board of Accountancy**

405 Capitol Street, Suite 908  
Charleston, West Virginia 25301-1744



**Board Members:**  
*Louis J. Costanzo, III, CPA - President*  
*Reed J. Tanner, CPA - Vice-President*  
*Jon W. Cain, Sr., CPA - Secretary*  
*David D. Hill, CPA - Assistant Secretary*  
*Donald B. Nestor, CPA*  
*Barry L. Burgess, CPA*

Earl Ray Tomblin, Governor

Brenda S. Turley, Executive Director

**Board Minutes**

**Friday, October 23, 2015**

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The West Virginia Board of Accountancy met on Friday, October 23, 2015 at 9:30 a.m. in the Board Room. Board members in attendance were Louis Costanzo, Jon Cain, David Hill, Barry Burgess and Donald Nestor. Also present were Assistant Attorney General, Katherine Campbell; Board staff, Brenda Turley and Stefani Young; as well as AICPA Peer Review Board member Allen Long; WV Society of CPAs' Peer Review Committee Chair, Steve Dearien; and WV Society of CPA's Peer Review Manager, Char Fox. Board Member Reed Tanner was unable to attend.

The meeting was called to order at 9:30 a.m. by Board President Louis Costanzo.

Instead of proceeding with regular business, the Board President turned the floor over to Steve Dearien and Allen Long to advise the Board regarding Peer Review trends, issues and Peer Review failures.

After the Peer Review presentation, the board took a five-minute break and resumed in regular business at 10:50 a.m.

\*All agenda items that required a quorum were considered before David Hill left the meeting at 12:00 p.m. The Board broke for lunch at this time and resumed regular session at 12:25 p.m.

**FIRST ORDER OF BUSINESS**

**APPROVAL OF MINUTES**

\*Upon motion by David Hill and second by Don Nestor, the Board approved the Minutes of August 14, 2015 as circulated. Motion carried.

**SECOND ORDER OF BUSINESS**

**CPA EXAMINATION**

- 1.\* Upon motion by Jon Cain and second by David Hill, the Board approved the listing of 19 successful exam candidates from 2015 Q3. Motion carried.
2. The Board received the list of 125 candidates who sat during the July/August 2015 (2015 Q3) testing window.
3. The Board reviewed the Exam Performance Statistics for 2015 Q3.
4. The Board received the list of 35 Exam Candidate Approvals during 2015 Q3.
5. The Board discussed the changes proposed by the AICPA *Exposure Draft - Maintaining the Relevance of the CPA Examination* released September 1, 2015.

6. The Board reviewed the information provided by NASBA regarding certain universities that may be providing fraudulent transcripts to graduates and their purportedly fraudulent accreditation bodies. The Board members were concerned with this information and determined to keep an eye on the situation.
7. The Board reviewed the letter from NASBA of anticipated changes to the next version of the Uniform CPA Exam. These changes include fee increases for 2018 and the extension of exam windows to accommodate anticipated demand for seats once the new version of the exam is announced.
8. The Board reviewed the listing of exam fee changes for 2015, 2016 and 2017.

**THIRD ORDER OF BUSINESS****FINANCIAL REPORT**

1. No financial report was provided at this meeting. A report for both quarters will be available at the next scheduled meeting.
- 2.\* Upon motion by David Hill and second by Jon Cain, the Board ratified the p-card expenditures for 2015 Q3. Motion carried.
3. Board staff reported on the results of the WV State Auditor's P-Card audit.
4. The State Auditor's Office requested that the Board review the Agency's P-Card Policy and if appropriate make recommendations regarding Board staff's internal controls and P-Card usage. The Board determined that it was more than they could accomplish at this meeting and decided to revisit during the next regular meeting.

**FOURTH ORDER OF BUSINESS****TECHNOLOGY**

1. Brenda Turley reported that the e-licensing system RFQ was released by WV Purchasing on October 7, 2015. Bidding will close on November 5, 2015. Upon motion by Don Nestor and second by Jon Cain, David Hill and Brenda Turley will review the bids and notify Purchasing regarding the Board's award of the contract.
- 2.\* The Board reviewed Board staff's request to purchase i-pads for use during the Board meetings in lieu of utilizing paper booklets. Before a final determination is made, the Board requested that Board staff track the amount of time actually expended to create the booklets and report that information back to the Board at the next meeting.

**FIFTH ORDER OF BUSINESS****FIRMS**

1. The Board received the listing of 6 firms approved during 2015 Q3.
2. Brenda Turley reported that another ERISA listing was provided to the Board and she is in the process of reviewing the listing and sending out compliance letters.



3. The Board reviewed information regarding a class action suit settlement against a firm. Upon consideration, the Board determined that in the future, this type of information should be given to the complaint committee for review and recommendation to the entire Board.
4. The Board reviewed the information received from the U.S. Department of Labor (DOL) regarding their assessment of the quality of audit work performed by CPAs with respect to employee benefit plans covered under ERISA. The DOL requested that state boards of accountancy take appropriate action to discipline those CPAs providing substandard services.

**SIXTH ORDER OF BUSINESS****LICENSING & CPE**

1. The Board received the listing of the 24 individuals approved for licensure during 2015 Q3.
2. Board staff reported that another listing of PTIN registrants was provided in August with over 900 names. After identifying who does not have a current license to practice, 29 letters were mailed on September 25, 2015. Board staff will advise the Board regarding those who failed to respond to the letter.
3. The Board tabled a request from the WV Society of CPAs to limit the number of self-study/online courses allowed to be reported or to require a certain number of live courses. This matter was tabled and will be considered at the next meeting.
- 4.\* In an effort to increase efficiency when reviewing the CPE forms and due to the large amount of paper required to be handled, printed and filed, CPE Coordinator, Stefani Young requested that the Board discontinue the requirement that licensees must submit all Certificates of Completion for each self-study course claimed on the annual CPE reporting form. She will, however, be performing a random 1% three-year- audit during this CPE period. Upon motion by David Hill and second by Jon Cain, the Board approved the request. Motion carried.
5. The CPE Coordinator gave a report regarding the National Registry Summit, September 9-11, 2015 in Washington, DC. In summary, she reported that CPE is going toward nano learning and video. The nano learning will be limited to .20 segments (10 minutes). The new Standards will take effect in January 2016.
6. The Board reviewed AICPA's proposal to create a CPA-Retired status to allow retired CPAs to offer volunteer tax preparation services, to participate in government-sponsored business mentoring programs and to serve on boards of non-profit organizations. The retired CPA would not be allowed to provide services that require the use of the CPA title. This language may be included in NASBA's next UAA Model Rules change.

**SEVENTH ORDER OF BUSINESS****NASBA/PROPOSED LEGISLATION**

1. Board members reviewed the listing of upcoming NASBA meetings. Louis Costanzo and Brenda Turley will attend the 108<sup>th</sup> Annual Meeting, October 25-28 in Dana Point, CA; and Brenda Turley and Stefani

Young will be attending the 34<sup>th</sup> Annual Conference for Executive Directors and Board Staff, March 15-17, 2016 in Tucson, AZ.

- 2.\* David Hill reported on the status of the Board's proposed rule after representing the Board at the Senate Committee on Government Organization on October 20, 2015. The original intent was to require an additional tax course effective July 1, 2018 and to drop one of the business law course requirements on July 1, 2016. This ultimately would not have required more hours from the exam applicant. However, he noted that since the Rules were modified to require 30 accounting hours with no date stipulation, applicants will need to secure 30 accounting hours beginning July 2016 instead of the intended July 2018 -- unless the Rules can be modified during legislative session.

#### **EIGHTH ORDER OF BUSINESS**

#### **COMPLAINTS**

Upon motion by Don Nestor and second by David Hill, the Board entered into Executive Session at 11:15 a.m. pursuant to W. Va. Code § 6-9A-4 to consider disciplinary matters. Motion carried.

Upon motion by David Hill and second by Don Nestor, the Board came out of Executive Session at 11:55 a.m. and made the following actions part of the record. Motion carried.

- \*In the matter of 2013-01** Complaint Committee member, Jon Cain, reported that the Respondent filed his quarterly report timely and is currently in compliance with the amended consent order. This matter is continued.
- \*In the matter of 2013-07** Assistant Attorney General Katherine Campbell reported that this matter is continuing to be held in abeyance until January 22, 2016 and, therefore, is continued until the next Board meeting. Assistant Attorney General Katherine Campbell to provide Respondent's attorney with a letter.
- \*In the matter of 2016-01** Upon motion by Jon Cain and second by Don Nestor, the Board tabled this matter until the next meeting.
- \*In the matter of 2016-02** Upon motion by Jon Cain and second by David Hill, the Board tabled this matter until further information can be obtained.

#### **NINTH ORDER OF BUSINESS**

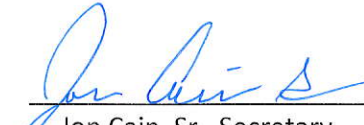
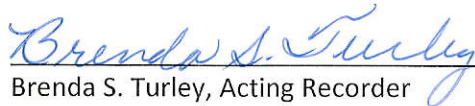
#### **OTHER**

1. Board staff reported that the Document Retention Policy was approved by Culture and History on September 29, 2015.
- 2.\* Board members discussed the need for a public member. A recommendation was made to the Governor's office on September 30, 2015.

The Board scheduled the following meeting dates for 2016:  
January 22, 2016 / April 22, 2016 / July 22, 2016 / October 21, 2016

Upon motion by Jon Cain and second by Don Nestor, the meeting adjourned at 1:12 p.m.

We certify that this is a true copy of the Minutes of the regular meeting of the West Virginia Board of Accountancy held on Friday, October 23, 2015.

  
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Louis J. Costanzo, III, President  
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Jon Cain, Sr., Secretary  
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Brenda S. Turley, Acting Recorder  
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David D. Hill, Assistant Secretary